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SUBJECT: NATIONAL CONTEMPLATES CHANGE ON NUCLEAR BAN STANCE

REF: 05 WELLINGTON 702

Classified By: Acting DCM Katherine B. Hadda,  
for reasons 1.4 (b) and (d)

¶1. (C) Summary: The opposition National Party is considering changing its policy regarding New Zealand's anti-nuclear ban, hoping to thereby remove one of Labour's strongest weapons against National. Senior Party officials have explained to us behind the scenes that the modification would only clarify existing policy by removing any reference to a possible referendum on whether to repeal the legislation. While at first glance the potential change seems significant, in reality it was always unlikely National could meet the current policy's pre-condition of public support for a vote. It was even less likely the result would be a majority vote in favor of removing what many see as an iconic piece of legislation. End Summary.

¶2. (SBU) At a recent National Party caucus retreat held prior to the start of the parliamentary year, two issues dominated the agenda: a possible challenge to the current leadership and a proposed change to the party's anti-nuclear policy. Although the eye of the media was fixed upon the leadership issue, a more critical issue largely flew beneath the radar: During the caucus retreat, National's Foreign Affairs spokesman Murray McCully moved that the party drop its current nuclear ban policy, which states that a National Government would only support a change to the anti-nuclear legislation if it had a clear public mandate by means of a referendum.

¶3. (C) McCully has, at this stage, only sought caucus approval for a discussion on the nuclear ban issue at a later date. However, he has told DCM and others that he wants National's policy to grant unconditional support to the status quo, i.e. to say the party supports maintaining the anti-nuclear legislation. Despite party leader Don Brash refusing to publicly state where he stands on the proposal, Post believes that he supports removing the possible referendum from the party's policy.

Why the potential change?  
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¶4. (SBU) National rightly believes that the referendum provision has been deliberately misrepresented by Labour to create confusion and doubt in the public's mind. The strategy

of constantly attacking National over the issue was largely successful for Labour during the last general election, as it repeatedly put Brash on the defensive when he tried to explain his party's policy. Although Brash insisted National had "no intention of removing the ban," confusion remained as to why the party was mooting the possibility of a referendum if they did not intend to change the law. Brash's difficulty in mounting a convincing argument was also compounded by Labour's repeated (and deliberately misleading) claims that Brash told a visiting CODEL that the nuclear ban would be "gone by lunchtime" if National were returned to power under his premiership.

15. (C) The resulting confusion over the referendum pledge has led much of the public to forget that National's policy actually supports maintaining the existing nuclear legislation absent a referendum called as a result of public demands. Confusion mounted when National also said that it would consider it had a mandate to change the legislation if elected on a platform to do so. After Labour made hay from that policy as well, National hastily added it had no intention of including a proposed nuclear ban change in its platform any time soon.

Pragmatic rationale  
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16. (C) The proposal to re-calibrate National's nuclear position is part of a broad review of the National's election campaign. McCully confided to visiting EAP/ANP Director Howard Krawitz that the party's polling shows the nuclear issue definitely cost it votes.

17. (C) McCully says the policy change is not a done deal, and apparently the party has not laid down a timetable for addressing the issue. But any change to National's nuclear policy would probably have to come sooner rather than later. Some senior National MPs fear that if this and other policies are changed closer to the election year (now scheduled for 2008) it will look like public pandering rather than strategic thinking. McCully has also conceded that a protracted delay could create further confusion in the public's mind.

National committed to remain pro-US despite policy shift.  
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18. (C) McCully has hastened to reassure us that change to National's nuclear policy will not dilute National's commitment towards improving the bilateral relationship. He has argued that despite the move to unreservedly uphold the nuclear legislation it is possible to "still have a positive view about the United States." McCully told EAP/ANP Director Krawitz that his party wants to focus attention on ways New Zealand can advance its relations with the United States in a nonpartisan way. He said if National and Labour both agree that the ban should remain in place, National can better focus attention on Labour's gratuitous anti-American statements and overall failure to improve relations with the United States. McCully claimed that former National PM Jim Bolger was encouraging the change in policy, apparently arguing that the New Zealand public will only support removal of the ban if compelled by a crisis. (Comment: McCully did not articulate what this would be, but presumably a natural disaster requiring an air carrier to enter New Zealand's waters or a terrorist attack. End Comment.) Until then, the party gains nothing by pushing for a change.

19. (C) McCully also says that in the short term, National will criticize Labour's failure to improve bilateral relations and will also seek ways to build on US-NZ cooperation in a variety of areas. In the medium-term, it will try to move public opinion to be more supportive of the United States. Although the policy has not yet changed, McCully tried out National's new strategy in a radio debate last week with Defense Minister Goff, who called National's shift a "flip flop" and said the party can't be trusted. McCully responded that Labour was unwilling to improve its

relations with the U.S. because many in Government are anti-American.

Labour's response to the proposed change.

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¶10. (C) Predictably, Labour has tried to capitalize on National's plans. Before the National caucus had even discussed McCully's proposition, Defence Minister Phil Goff went to the media to turn the issue from being about whether National would keep New Zealand nuclear-free into the wider question of National's overall credibility. He asserted that given that National had made so many reversals on the issue of nuclear ship visits, the public would surely not believe the party had really changed its mind this time. Goff has since repeated this line of attack within the Parliamentary debating chamber.

Comment:  
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¶11. (C) While on the surface National's possible change in policy seems significant, in reality there is less there than meets the eye. Although the party has previously commissioned studies questioning the logic of the anti-nuclear legislation, and many of its MPs have privately told us they support removal of the ban, National's official policy always was to retain the law absent a voter referendum to repeal it. Given the strong and widespread support for the anti-nuclear legislation, such a referendum would almost surely fail.

¶12. (C) We know only one National MP -- the newcomer Chris Finlayson -- who thought a National Government should change the legislation right after winning an election, without a referendum. But he also thought the Government should then shelve the issue by not encouraging or allowing any ship visits for a number of years. Significantly, following the recent caucus even Finlayson seems resigned to the impossibility of changing the legislation any time soon.

¶13. (C) As we reported during the election campaign (reftel), a National Government would be unable to change the nuclear legislation over the shorter term because of strong public opinion in favor of the ban and because of the party's own reduced credibility on the issue after repeated Labour attacks. But we also continue to believe a National Government would be better able to rebuild much of the trust that has eroded US-NZ relations over the past years. For our part, Post will continue to tell National and others that we welcome the chance to build stronger bilateral relations, even if the extent of the improvement will remain constrained by the significant "unfinished business" that still remains between us. End Comment.  
McCormick